

# **EXHIBIT 7**

**In the Matter Of:**

*In Re - LTL Management LLC*

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*JOHN KIM*

*June 01, 2023*

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1 J. KIM

2 Q. Okay. Just to -- so we can move  
3 on, would you agree that the value could have  
4 been up to \$61 billion of the money?

5 A. No, I would say that the value  
6 reasonably would have been, you know, at that  
7 time, probably -- you know, the best  
8 calculation would be somewhere -- what we  
9 know is at that time, there was a settlement  
10 offer for these entities for \$4.2 billion.

11 The value of that asset -- again,  
12 the value of the Funding Agreement is equal  
13 to the liability minus the assets of LTL. We  
14 know there is no possible way that we would  
15 think that the value of the liability  
16 approached \$60 billion.

17 There was a cap on the liability,  
18 on the Funding Agreement, but the value of  
19 that Funding Agreement, of course, would be  
20 what the liability was, and there -- no where  
21 approached \$60 billion. In fact, as you know  
22 what our position is, you know where -- it  
23 doesn't approach \$30 billion.

24 So, you know, I think the best way  
25 to think about the value of that asset was --

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J. KIM

what the position -- and as evidenced -- as  
laid out in the omnibus objection is -- you  
know, the position of Johnson & Johnson was  
that the agreement was unenforceable. That  
was the position they took.

So, again, I refer to the  
objection and -- about what the positions of  
the parties were.

Q. Mr. Kim, it's the case, is it not,  
that LTL wanted to be in financial distress  
after it signed the second Funding Agreement?

MR. JONES: Object to the form  
of the question.

A. Yeah, I would say LTL was clearly  
in financial distress. And, frankly, it was  
clearly in financial distress after the Third  
Circuit's decision made the -- made the J&J  
backstop unenforceable. That's what caused  
the financial distress.

The second funding agreements are  
a way to try to deal with that  
unenforceability issue, but it's still  
remained in financial distress. But the  
financial distress was caused by the talc

1 J. KIM

2 The summary would be that after  
3 the Third Circuit's decision and rendered the  
4 2021 Funding Agreement unenforceable, when we  
5 entered into the new agreements, the primary  
6 obligor under the Funding Agreement was  
7 HoldCo.

8 And while HoldCo has sufficient  
9 assets so that the LTL is not rendered  
10 insolvent by the talc liabilities, in order  
11 to deal with the talc liabilities, well, we  
12 believe that HoldCo would be financially  
13 distressed, and, therefore, LTL would be  
14 financially distressed because HoldCo's  
15 assets are not as liquid.

16 And that because of the liquidity  
17 issues, it would have to sell the assets and  
18 substantially impair its business in order to  
19 pay, under the Funding Agreement, the  
20 obligations related to the talc liabilities.

21 So that, in a nutshell, renders  
22 LTL and HoldCo financially distressed.

23 Q. Okay. So let me just try and  
24 break that down a little bit.

25 Under the second Funding

1 J. KIM

2 does LTL have sufficient funding to manage  
3 its talc liabilities in the tort system for  
4 the next ten years?

5 A. Again, I'm not sure. Putting  
6 these -- so as you go out in time, because of  
7 the volatility and the variability of the  
8 costs, aberrant verdicts settlements, I think  
9 you would come closer and closer to reaching  
10 the limit, but we believe that LTL and  
11 HoldCo's assets are sufficient to fund the  
12 talc liability period.

13 Q. In the tort system?

14 A. Yeah, in the tort -- outside of  
15 bankruptcy.

16 But, again, there are liquidity  
17 issues with respect to -- with respect to  
18 that.

19 Q. And those liquidity issues are  
20 created by the Funding Agreement reached  
21 between LTL and HoldCo, correct?

22 A. I disagree with that. Liquidity  
23 issues are created by the talc litigation and  
24 whatever assets HoldCo, which was the  
25 original old JJCI, of course, have.